

LEARN BEFORE YOU LOSE

by W. D. Gann
(publicity brochure, circa 1939)

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LEARN BEFORE YOU LOSE
OR
WHY YOU HAVE LOST MONEY IN STOCKS
AND HOW TO MAKE IT BACK

Why do the great majority of people who buy and sell stocks lose?

There are three main reasons:

1. They over-trade or buy and sell too much for their capital.
2. They do not place stop loss orders or limit their losses.
3. Lack of Knowledge. This is the most important reason of all.

Most people buy a stock because they hope it will go up and they will make profits. They buy on tips, or what someone else thinks, without any concrete knowledge of their own that the stock will advance. Thus they entered the market wrong and did not recognize this mistake or attempt to correct it until too late. Finally they sell because they fear the stock will go lower and often they sell out near low levels, getting out at the wrong time, making two mistakes, getting in the market at the wrong time and getting out at the wrong time. One mistake could have been prevented, they could have gotten out right after getting in wrong. They do not realize that operating in Stocks and Commodities is a business or a profession, the same as engineering or the medical profession.

Why You Should Learn to Determine the Trend of the Market

You may have tried to follow market letters and like many others either lost money or failed to make profits, because the market letters gave a list of too many stocks to buy or sell and you picked the wrong one and lost. A smart man cannot follow another man blindly even though the other man is right, because you cannot have confidence and act on advice when you do not know what it is based on. You will be able to act with confidence and make profits when you can SEE and KNOW for YOURSELF why STOCKS should go UP or DOWN. That is why you should take a Course of Instructions and prepare yourself to act independent of the advice of others.

Why I Teach My Methods

Long years in practical market trading and experience in teaching others has taught me what others need for success in speculation. They must learn a rule and how to apply it before they take up the second lesson or set of Rules. When you first went to school you had to learn your A, B, Cs before you could read and when you started to study arithmetic you had to learn the four fundamental rules, addition, multiplication, division and subtraction.

Then you were prepared to take up higher mathematics, algebra and geometry.

My Course or Lessons starts you in the same way, leading you step by step and adding more rules when you are ready and can understand them.

I have made a success in Wall Street and have all the income that I need, this fact can be proven by the records. I find real pleasure in helping others who are trying to help themselves. Money is not everything in life, when I teach a young man or woman how to protect and preserve their capital I am giving them valuable knowledge that they cannot lose, and no one can steal it or take it from them.

You should never buy a method from a man who has not made money with it.

W. D. GANN

THIRTY-ONE YEARS IN WALL STREET

The Founder and president of W. D. Gann & Son, Inc. has devoted 35 years exclusively to the study of stock and commodity markets and has spent over \$300,000.00 developing a worthwhile, practical method of Stock Forecasting.

During the past 31 years W. D. Gann has been in business for himself and under his own name in New York City. He is a member of the Commodity Exchange, Inc. of New York, New Orleans Cotton Exchange and is a Christian and a member of the Masonic fraternity.

The Record of Forecasts—

Highlights through the years

1909—W. D. Gann's record as a forecaster dates back 30 years. We reprint part of an article written by the late Richard D. Wyckoff and published in the Ticker Magazine. This article is dated December 1909 and attests to Mr. Gann's remarkable ability as a forecaster over 30 years ago.

WILLIAM D. GANN

An Operator Whose Science and Ability Place Him in the Front Rank—
His Remarkable Predictions and Trading Record.

Sometime ago the attention of this magazine was attracted by certain long pull stock market predictions which were being made by William D. Gann. In a large number of cases Mr. Gann gave us in advance the exact points at which certain stocks and commodities would sell, together with prices close to the then prevailing figures which would not be touched.

For instance, when New York Central was 131 he predicted that it would sell at 145 before 129.

So repeatedly did his figures prove to be accurate, and so different did his work appear from that of any expert whose methods we had examined, that we set about to investigate Mr. Gann and his way of figuring out these predictions, as well as the particular use which he was making of them in the market.

The results of this investigation are remarkable in many ways.

It appears to be a fact that Mr. Gann

has developed an entirely new idea as to the principles governing stock market movements. He bases his operations upon certain natural laws, which, though existing since the world began, have only in recent years been subjected to the will of man, and added to the list of so-called modern discoveries.

We have asked Mr. Gann for an outline of his work and have secured some remarkable evidence as to the results obtained therefrom. We submit this in full recognition of the fact that in Wall Street a man with a new idea—an idea which violates the traditions and encourages a scientific view of the proposition—is not usually welcomed by the majority, for the reason that he stimulates thought and research. These activities said majority abhors.

Mr Gann's description of his experience and methods is given herewith. It should be read with a recognition of the established fact that Mr. Gann's predictions have proved correct in a large majority of instances.

"After years of patient study I have proven to my entire satisfaction as well as demonstrated to others that vibration explains every possible phase and condition of the market."

In order to substantiate Mr. Gann's claims as to what he has been able to do under this method, we called upon Mr. William E. Gilley, an Inspector of Imports, 16 Beaver Street, New York. Mr. Gilley is well-known in the down-town district. He himself has studied stock market movements for twenty-five years, during which time he has examined every piece of market literature that has been issued and procurable in Wall Street. It was he who encouraged Mr. Gann to study out the scientific and mathematical possibilities of the subject. When asked what had been the most impressive of Mr. Gann's work and predictions, he replied as follows:

"It is very difficult for me to remember all the predictions and operations of Mr. Gann which may be classed as phenomenal, but the following are a few: In 1908 when Union Pacific was 168 $\frac{1}{8}$ he told me that it would not touch 169 before it had a good break. We sold it short all the way down to 152 $\frac{5}{8}$, covering on the weak spots and putting it out again on the rallies, securing twenty-three points profit out of an eighteen-point move.

"He came to me when United States Steel was selling around 50 and said 'This Steel will run up to 58 but it will not sell at 59. From there it should break 163 $\frac{3}{4}$

points. We sold it short around 58 $\frac{3}{8}$ with a stop at 59. The highest it went was 58 $\frac{3}{4}$. From there it declined to 41 $\frac{1}{4}$ —17 $\frac{1}{2}$ points.

"At another time wheat was selling at about 89c. He predicted that the May option would sell at \$1.35. We bought it and made large profits on the way up. It actually touched \$1.35 $\frac{1}{2}$.

"When Union Pacific was 172, he said it would go to 184 $\frac{7}{8}$ but not an eighth higher until it had had a good break. It went to 184 $\frac{7}{8}$ and came back from there eight or nine times. We sold it short repeatedly with a stop at 185 and were never caught. It eventually came back to 172 $\frac{1}{2}$.

"Mr. Gann's calculations are based on natural law. I have followed his work closely for years. I know that he has a firm grasp of the basic principles which govern stock market movements, and I do not believe any other man on earth can duplicate the idea or his method at the present time.

"Early this year he figured that the top of the advance would fall on a certain day in August and calculated the prices at which the Dow-Jones averages would then stand. The market culminated on the exact day and within four-tenths of one per cent. of the figures predicted."

"You and Mr. Gann must have cleaned up considerable money on all these operations," was suggested.

"Yes, we have made a great deal of money. He has taken half a million dollars out of the market in the past few years. I once saw him take \$130, and in less than one month run it up to cover \$12,000. He can compound money faster than any man I ever met."

"One of the most astonishing calculations made by Mr. Gann was during last summer (1909) when he predicted that September wheat would sell at \$1.20. This meant that it must touch that figure before the end of the month of September. At twelve o'clock, Chicago time, on September 30th (the last day) the option was selling below \$1.08, and it looked as though his prediction would not be fulfilled. Mr. Gann said 'If it does not touch \$1.20 by the close of the market it will prove that there is something wrong with my whole method of calculation. I do not care what the price is now, it must go there.' It is common history that September wheat surprised the whole country by selling at \$1.20 and no higher in the very last hour of the trading, closing at that figure.

So much for what Mr. Gann has said and done as evidenced by himself and others. Now as to what demonstrations have taken place before our representative:

During the month of October, 1909, in twenty-five market days, Mr. Gann made, in the presence of our representative, two hundred and eighty-six transactions in various stocks, on both the long and short side of the market. Two hundred and sixty-four of these transactions resulted in profits; twenty-two in losses.

The capital with which he operated was doubled ten times, so that at the end of the month he had one thousand per cent. of his original margin.

In our presence Mr. Gann sold Steel common short at $94\frac{7}{8}$, saying that it would not go to 95. It did not.

On a drive which occurred during the week ending October 29th, Mr. Gann bought Steel common at $86\frac{1}{4}$, saying that it would not go to 86. The lowest it sold was $86\frac{1}{8}$.

We have seen him give in one day sixteen successive orders in the same stock, eight of which turned out to be either the top or the bottom eighth of that particular swing. The above we can positively verify.

Such performances as these, coupled with the foregoing, are probably unparalleled in the history of the Street.

James R. Keene has said, "The man who is right six times out of ten will make his fortune." Here is a trader, who, without any attempt to make a showing (for he did not know the results were to be published), establishes a record of over ninety-two per cent profitable trades.

Mr. Gann has refused to disclose his method at any price, but to those scientifically inclined he has unquestionably added to the stock of Wall Street knowledge and pointed out infinite possibilities.

We have requested Mr. Gann to figure out for the readers of The Ticker a few of the most striking indications which appear in his calculations. In presenting these we wish it understood that no man, in or out of Wall Street, is infallible.

Mr. Gann's figures at present indicate that the trend of the stock market should, barring the usual rallies, be toward lower prices until March or April, 1910.

He calculates that May wheat, which is now selling at \$1.02, should not sell below 99c. and should sell at \$1.45 next spring.

On cotton, which is now at about the 15c. level, he estimates that, after a good reaction from these prices, the commodity should reach 18c. in the spring of 1910. He looks for a corner in the March or May option.

Whether these figures prove correct or not, will in no sense detract from the record which Mr. Gann has already established.

Mr. Gann was born in Lufkin, Texas, and is thirty-one years of age. He is a gifted mathematician, has an extraordinary memory for figures, and is an expert Tape Reader. Take away his science and he would beat the market on his intuitive tape reading alone.

Endowed as he is with such qualities, we have no hesitation in predicting that within a comparatively few years Wm. D. Gann will receive full recognition as one of Wall Street's leading operators.

R. D. W.

Note—Since the above forecast was made, Cotton has suffered the expected decline, the extreme break having been 120 points. The lowest on May wheat thus far has been \$1.015/8. It is now selling at 1.061/4.

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In 1912 Mr. Gann forecast the election of Woodrow Wilson and has been correct in forecasting the election of every President since that time. Many of these forecasts have been published in newspapers throughout the country.

In the spring of 1918 Mr. Gann forecast the end of the World War. This forecast was sent out to newspapers throughout the country, and in January, 1919, the New York Herald and other papers gave Mr. Gann credit for forecasting the end of the war and the Kaiser's abdication.

In his 1919 Annual Stock Forecast, issued late in 1918, he forecast a big bull market for 1919 and especially referred to a boom in oil stocks.

His Stock Forecasts for 1920 and 1921 indicated a bear market with sharp declines. The 1921 Forecast called the exact date for bottom on stocks in August, 1921.

In 1923 Mr. Gann wrote "Truth of the Stock Tape" and forecast a big advance in chemical and airplane stocks, which followed during the Coolidge bull campaign. This book has been reviewed by newspapers and magazines throughout the country and favorably commented on by college professors, business men, investors and traders, all of whom agree that it is the best book ever written on the subject.

His Stock Forecasts for 1924 and 1925 outlined the bull market which followed.

In the spring of 1927, Mr. Gann wrote "The Tunnel Thru the Air, or Looking back From 1940," which contained many remarkable forecasts in regard to stocks and commodities and world events which have been fulfilled. In this book Mr. Gann said that from 1929 to 1932 there would be the worst panic in the world's history. Writing under date of "October 3, 1931" on page 323, he said, "The New York Stock Exchange closed to prevent complete panic because the people were panic-stricken and selling stocks regardless of price." It is a matter of history that the New York Stock Exchange did consider closing on October 3 to 5, but decided to stop short selling. The low of that panicky decline was reached on October 5 and a rally of 33 points in industrial stock averages followed to November 9, 1931.

His 1929 Stock Forecast, issued on November 23, 1928, and based on his Master Time Factor, indicated the end of the full market in August and early September, 1929. He stated in no uncertain terms that the panic would start in September, 1929, and that it would be a great deluge with a Black Friday. We quote from the Forecast:

"AUGUST—A few of the late movers will advance this month and reach final high. * * * Unfavorable news will develop which will start declines and the long bull campaign will come to a sudden end. Money rates will be high and final top will be reached for a big bear campaign. Stand firm under! Don't get caught in the great deluge! Remember it is too late to sell when everyone is trying to sell. * * *

"SEPTEMBER—One of the sharpest declines of the year is indicated. There will be loss of confidence by investors, and the public will try to get out after it is too late. Storms will damage crops and the general business outlook will become cloudy. War news will upset the market and unfavorable developments in foreign countries. A 'Black Friday' is indicated and a panicky decline in stocks with only small rallies. The short side will prove the most profitable. You should sell short and pyramid on the way down."

In the spring of 1930, Mr. Gann wrote "Wall Street Stock Selector," which was published in June, 1930. In this book he had a chapter headed, "Investors' Panic," which described conditions just as they occurred during 1931, 1932 and 1933. We quote from the book, pages 203-04:

"The coming investors' panic will be the greatest in history, because there are at least 15 to 25 million investors in the United States who hold stocks in the leading corporations, and when once they get scared, which they will after years of decline, then the selling will be so terrific that no buying power can withstand it. Stocks are so well distributed in the hands of the public that since the 1929 panic many people think that the market is panic-proof, but this seeming strength is really the weakest feature of the market. * * *

"Love of money has been the cause of all financial troubles and depressions in the past, and the coming panic will be the greatest the world has ever known, because there is more money in the United States than ever before, therefore more to fight for."

Thousands of people have bought this book and profited by reading and studying it. The book has been favorably commented on by such papers as The Financial Times of London, England, Wall Street Journal, New York Daily Investment News, Coast Investor, and many other newspapers and magazines throughout the world.

On February 10, 1932, Mr. Gann said that stocks were bottom for a big rally. His 1932 Stock Forecast, issued October 21, 1931, called March 8 for last top for another big decline. During the latter part of June, 1932, and early July he strongly advised buying stocks, stating that final bottom had been reached, as shown by his market letter issued July 8, the day that most stocks reached final bottom. We quote from page 6 of the 1932 Forecast:

"The latter part of June, July, August and September are the most active and bullish months of the year, when sharp advances will be recorded. First extreme high is indicated around September 20 to 21, when stocks should make extreme high for the year. Then follows a decline, reaching bottom around October 4 to 5."

Between July 8 and September 8 many stocks advanced 20 to 60 points. The market reached high of a secondary rally on September 23, from which a big decline followed, making low in the latter part of November and early December, as indicated in the Forecast.

On March 1, 1933, by the use of his Master Time Factor Mr. Gann forecast bottom for stocks and commodities and advised buying for a big advance, as shown by the market letters issued March 1 and 3 given below. This is another proof of the great value of Mr. Gann's discovery of a Master Time Factor.

KEEPING UP TO DATE

Mr. Gann has always been progressive and believes in keeping up to date. In April, 1933, he bought a specially equipped airplane for making crop surveys. Many of the newspapers throughout the country commented on this progressive step. The following article appeared in the New York Daily Investment News, May 26, 1933:

NEW YORK DAILY INVESTMENT NEWS

GANN TO TOUR COUNTRY BY PLANE FOR BROAD BUSINESS SURVEY

Wayne, Mich., May 25.—W. D. Gann, stock market analyst, of 99 Wall St., today left here for New York with the first 1933 model Stinson Reliant plane, piloted by Elinor Smith, woman aviator.

Mr. Gann will use the plane for an extensive tour of the country during which he will study cotton, wheat and tobacco crop and business conditions. He will leave on this tour early in June.

The forecaster expects to make speed in the gathering of first hand information on business conditions by use of the airplane.

The plane is equipped with blind-flying apparatus, extra-large fuel tanks to afford a flying range of 750 miles and with radio receiving equipment. The plane is powered with a Lycoming engine and is capable of 135 miles per hour.

By receiving radio advices on market conditions, Mr. Gann calculates that he will be able at all times to gauge his operations in the markets and send up-to-the-minute advice to his clients, even though he is many miles away from his Wall Street office.

As far as is known, Mr. Gann will be the first Wall Street adviser to use a plane as part of his equipment in studying market conditions.

The recent burst of activity in the markets, following the closing of the banks and leading stock and commodity exchanges, prompted the analyst to buy the plane.

He decided that rapid-changing conditions made it necessary for him to gather his data on crops and business at first hand.

Mr. Gann is a member of the Commodity Exchange, Inc., and also of the New Orleans Cotton Exchange. During his tour of the country he will visit the cotton belt in the south and southwest, the tobacco fields in the south, and the wheat stand in the middle west.

At all times during the trip he will communicate regularly with his office by wire and by radio. He expects to make talks in various cities to Kiwanis and Rotary Clubs, chambers of commerce and other business organizations.

His itinerary will include the following cities:

Washington, D. C.; Richmond, Va.; Raleigh, N. C.; Atlanta, Ga.; Birmingham, Ala.; Memphis, Tenn.; New Orleans, La.; Little Rock, Ark.; Houston and Dallas, Texas; St. Louis, Detroit and Chicago.

1933 STOCK FORECAST:

Mr. Gann's 1933 Stock Forecast called for top July 17 and a sharp decline to July 21. Stocks reached high on July 17 and a wide-open break followed, with the average down 25 points in 4 days.

1934 STOCK FORECAST:

His 1934 Forecast indicated top for February 13th and the high was reached on averages February 5th and 15th. The next low was indicated for May 11th to 12th, and the market made low on May 14th. The next top was indicated for June 22nd; stocks reached high on June 19th. The last low for 1934 was forecast for July 21st to 23rd and the extreme low of the year was reached on July 26th. The Forecast called for the last top for September 8th to 10th, and stocks reached top of the rally on September 6th. A reaction followed to September 17th, the exact date indicated in the Forecast for low. The next top was forecast for October 5th and 6th and the industrial averages reached top October 11th. The next bottom was called for October 23rd to 24th and the lows were reached October 26th. The next top was indicated, according to the Forecast, for December 4th to 5th. The averages reached top on December 6th and a reaction followed. The Forecast indicated high for the end of December and the averages reached high for the month on December 31st.

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A CROP SURVEY IN SOUTH AMERICA

In the early part of March, 1935, Mr. Gann made a trip to South America to study crop conditions and get first hand information on the increase in production of cotton in Peru, Chile, Argentine, and Brazil. On this trip he covered about 18,000 miles by airplane and more than 1,000 miles by automobile, driving into the country to see the conditions of soil and the possibilities for increased production of Wheat, Corn and Cotton, which will influence prices in the United States market by underselling, due to lower cost of labor in Argentine and Brazil. While in South America, Mr. Gann was interviewed by many newspapers.

We reproduce part of an article which appeared in the Buenos Aires Herald, March 21, 1935.

BUENOS AIRES HERALD

Thursday, March 21, 1935

SCIENCE AND STOCK

An Astonishing Claims

Records of 1,000 Years

The man who guesses and gambles on hope is sure to lose while the man who follows science makes profits. There is cause and effect for everything and by time element and the cycle theory everything can be mathematically determined.

Mr. W. D. Gann, member of the New Orleans Cotton Exchange and the Rubber Exchange of New York, who stated that he has devoted over 30 years to study of time cycles and spent \$300,000 (U.S.) to

develop a dependable method based on mathematical science that will determine the trend of stocks and commodities. The success attending his methods he asserts, are borne out by his own good fortune on the American markets, and his accuracy in forecasting the futures markets for the past twenty years has been very widely commented upon in the Press in all parts of the United States.

Mr. Gann told a HERALD reporter yes-

terday that he has carried his records of grain back over 1,000 years and cotton records nearly 400 years. The former he was able to gather the most accurate information about from old British records, while in his search for cotton cycles he

visited Egypt and India. More recently he has used his own aeroplane extensively in America for getting round the country quickly to make forecasts on the cotton crops.

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1935 Stock Forecast:

His 1935 Forecast indicated first top for January 9th to 10th and the high was reached on January 7th. The next top was forecast for February 13th. The actual highs were reached February 18th, from which a sharp decline followed, making low for the year on March 18th. The Forecast called for the last low on March 28th, and the averages made a second low on March 25th. From the low in March, the Forecast indicated a big advance of at least 32 points in the Dow-Jones Industrial averages.

August 28th and 29th indicated top for a reaction. The averages reached top on August 27th and then reacted. The Forecast called for the next top September 12th to 15th. High on the averages was reached September 11th. The Forecast indicated the next bottom for September 24th to 25th; the last low was made September 20th and 26th.

The Forecast called for top October 26th to 28th, and the averages reached high on October 28th, which was the high of the year up to that time. The Forecast indicated November 15th to 16th as the last high of the year. The actual high of the Dow-Jones 30 Industrial averages was reached on November 20th, from which a reaction of 10 points on averages followed. The Forecast called for low December 9-10th and 23rd. The low of the reaction was made on December 16th and 19th. The Forecast called for a rally to December 31st, and this rally took place.

Mr. Gann has also been issuing Annual Forecast on Cotton, Wheat and other commodities for many years. These Forecasts have shown the same percentage of accuracy that the Stock Forecasts have.

These Annual, Forecasts on Stocks, Cotton, and Grain are issued in October and November each year for the following year.

NEW STOCK TREND DETECTOR

In December 1935, Mr. Gann wrote a new book, NEW STOCK TREND DETECTOR, bringing "Wall Street Stock Selector" up-to-date, with new rules never before published and a method of trading that formerly sold for \$1000.00. This book covers changed conditions caused by the new Securities Exchange laws. It gives an example of trading in Chrysler Motors from 1925 to the end of 1935 and new rules on Volume of Sales. This book with the two former books will give you a valuable stock market education.

W. D. GANN MAKES PROFITS TRADING ACCORDING TO HIS OWN METHODS

Many ask the question, "If Mr. Gann can forecast the market accurately, why does he sell service or write market letters?" He has answered that question before, that he finds pleasure in giving his knowledge to help others who need help; money is not everything in life.

Below we publish a record taken from brokers' statements, showing the trades made by Mr. Gann for 3 years. This is proof that he can and does make money by following

his own rules and methods. Before you buy a course of instructions, get the record of actual trading by the man who is behind it, if he has not made money following his own advice, why should you pay money for it and follow it and risk your money?

W. D. GANN'S TRADING RECORD FOR 1933

From August 1 to December 31:

Total number of trades—135—of which 112 showed profits and 23 losses.

Percentage of accuracy on the total number of trades..... 83%

Percentage of profits to losses..... 89.9%

Total number of trades for the entire year of 1933: 479 trades, of which 422 were profits and 57 showed losses.

Percentage of accuracy 88.1%

Percentage of profits on capital used..... 4000% or 40 for 1

TRADING RECORD FOR 1934

From January 1 to December 31: Total number of trades—362.

Cotton — 147 trades, of which 135 showed profits and 12 losses

Grain — 170 " " " 161 " " " 9 "

Rubber — 23 " " " 21 " " " 2 "

Silver — 7 " " " 7 " " " 0 "

Silk — 4 " " " 3 " " " 1 "

Stocks — 11 " " " 10 " " " 1 "

Total for yr. 362 trades, of which 337 showed profits and 25 losses.

Percentage of accuracy on the total number of trades..... 93.09%

Percentage of profits to losses..... 93.10%

Percentage of profits on capital used..... 800% or 8 for 1

TRADING RECORD FOR 1935

Commodities:

Total trades in Cotton, Grain and Rubber—98—of which 83 showed profits and 15 showed losses.

Percentage of accuracy on total number of trades..... 85%

Percentage of profits to losses..... 82%

Percentage of profits on capital used..... 336%

Stocks:

Total number of trades—34—of which 29 showed profits and 5 losses.

Percentage of accuracy on total number of trades.....	85.5%
Percentage of profits to losses.....	83%
Percentage of profits on capital used.....	100%

Such a record of accuracy proves that W. D. Gann has discovered a Master Time Factor and Cycle Theory that works and can be depended upon in future.

1936—"New Stock Trend Detector" was written by W. D. Gann. This book was a further advance over "Truth of the Stock Tape" and "Wall Street Stock Selector" and contained an actual trading record for 10 years in Chrysler Motors according to the rules set down in these books.
Bought Special built all-metal Airplane, "The Silver Star" for making crop surveys.

1937—Wrote and published a book, "How to Make Profits Trading in Puts and Calls" Scientific Stock Forecasting again proved equal to the test of predicting a bear year, sharp declines coming in March and September. A maximum decline of 80 points was called for and the actual decline from the March high to the November low was 82 and a fraction points. We reprint an article from the Milwaukee Journal giving further details.

PREDICTED STOCK MARKET CRASHES OF 1929, 1937

Gann Says There'll Be Another Decline in November and an Upturn in December of This Year

NEW YORK, N. Y.—W. D. Gann, who forecast the 1929 stock market crash one year in advance and predicted the exact date, September 3, 1929, when the panic would start, has made another hit.

His 1937 Stock Forecast, issued November 18, 1936, is just as accurate. On page 2 he said—General Outlook for 1937":

This year comes under a time cycle which definitely indicates a bear year in most stocks and a panicky decline in the first half of the year and another panicky decline in the last half of the year. Fluctuations will be wide. Sudden, unexpected events of an unfavorable nature will occur from time to time which will upset the market and rallies will fail to hold. Action by the government and laws changed or passed by congress will have a great influence on business conditions and stock prices.

* * *

"Many people are still buying stocks or holding stocks and hoping for the day when inflation will come and they will be able to sell at high prices. Inflation has been going on ever since 1933 and one of these days people will wake up and find that deflation has set in and then they will realize that inflation had already existed.

* * *

The securities and exchange commission is getting more drastic in its regulations of operations on the exchange and there is likely to be more legislation in 1937. This will cause less support to the market in the future because there will be less buying by floor traders and specialists, and probably less short selling, therefore less support from short sellers when a panic takes place. The final result of all this regulation is likely to do more harm than good as far as the public is concerned."

A Matter of Record

It is a matter of record that the Dow-Jones 30 industrial stock averages reached extreme high on March 8, 1937, and Mr. Gann's forecast called March 6-8 as last high of the year. The decline lasted until June 18, when the Dow-Jones averages were down 32 points. His forecast called for a decline of 32 points and indicated June 23-25 as last low before a rally into August. The forecast said last high would be reached August 25-27 before a panicky decline would start. The Dow-Jones averages reached high August 14, up 27 points from June lows, and on August 25 the market had the last rally and the decline started.

Long Bear Wave

In his forecast for August on page 15 he said: "This should be one of the active months for the stock market. Sudden, unexpected events of an unfavorable nature will cause some sharp breaks and, in fact, this is the month when the market should start on its long bear wave again. The newspapers will try to make it appear that business is improving but it will be far from good. There will be disturbing conditions at Washington and some trouble over crop control or shortage of crops due to government action. Stocks will rally from time to time but the short side is where the big money will be made."

The bear market started in August as predicted. Mr. Gann's forecast called for low October 14-15 and the extreme lows were reached on October 19, just four days later, when there was a panicky decline, culminating in one of the worst declines in the history of the stock exchange, with the Dow-Jones averages down 79.65 points. The most uncanny prediction by Mr. Gann was that the averages could decline a maximum of 80 points.

In his 1937 forecast, page 7, he said: "The range in these industrial averages during 1937 is not likely to be less than 50 to 60 points and may reach a maximum of 80 points."

His forecast called for a sharp advance from October 15 to 30 and the Dow-Jones averages advanced 25 points from October 19 to 30.

Advance in December

Mr. Gann was asked how it was possible to make such an accurate forecast one year in advance. He stated that it was his own discovery of a mathematical master time factor and cycle theory which enables him to tell when certain cycles recur and great panics and booms take place. He said that the extent of an advance was determined by a theory based on the law of averages and that under certain circumstances stocks decline or advance about the same number of points.

* * *

"What about the near future of the stock market?" Gann replied: "My forecast indicates that stocks will back and fill until around November 15, when congress meets. Then they will have another decline and reach low of the reaction about November 26-27, followed by an advance in December."

1938—Predicted bull market to start in the spring or early summer, and called for low of the year for the early part of April. Actual low occurred on March 31st. This Forecast strongly advised buying airplane stocks and said they would lead the market upward. It is now market history that the airplane stocks as a group were the strongest on the New York Stock Exchange, and many of these stocks doubled and tripled in value during 1938.

Again We Repeat:

"Prove all things and hold fast to that which is good."

1939—The Stock Forecast called for high January 3rd, the Dow-Jones Industrial Averages made high January 4th and started to decline.

The Forecast indicated low for January 21st to 23rd, the averages reached low January 26th.

February 4th to 6th indicated high, averages made high February 6th.

February 21st to 23rd indicated low, averages made low February 21st.

March 4th to 6th indicated high, averages made high March 10th.

March 8th to 9th and 24th to 25th indicated low, averages made low March 22nd and 28th.

April 19th to 20th called for last low, averages made low April 11th.

May 16th - 17th indicated high, averages made high May 10th to 15th.

June 7th to 9th indicated high, averages made high June 9th, and a sharp decline followed.

June 23rd to 24th indicated low, averages made low June 29th to 30th.

July 28th to 29th indicated high, averages made high July 25th to 28th.

August 4th to 5th indicated low, averages made low August 5th and 7th.

The 1939 Forecast was issued and mailed to subscribers on November 14th, 1938.

We are sure that anyone will agree that such accurate, long-range forecasting cannot be done by guess-work. You can learn to make forecasts one year or more in advance when you learn how to apply the rules taught with the Master Forecasting Method.

What Others Say of W. D. Gann's Methods:

Below we print copies of letters received from two prominent business men, many other letters on file in our office from people who have used Mr. Gann's Courses of Instruction and followed his advice.

New York, N. Y.
March 16, 1933.

My Dear Mr. Gann:

I am very glad to write you a letter stating my personal observation of the application of your system to trading in Cotton.

On November 30, 1923, starting with a capital of \$973.00 you showed a clear profit of over \$30,000. at the close of business on January 28, 1924. This profit was made through the purchase and sale of contracts for the delivery and sale of cotton on the New York Cotton Exchange through one of the leading New York brokerage offices. I personally know of all the trades made in this commodity for the account, having received advices of your operations, from the broker on the day following the day each trade was made.

On January 29, 1924, a check for \$24,764.04 was drawn against the account and delivered to a person with whom I am personally acquainted.

C. M.

New Bern, N. C.
August 23rd, 1937

I have known Mr. W. D. Gann for many years. I have been in his office on Wall Street, have seen him trade with his method and take the money out of the market. With it he has made a fortune in speculation. And he does not need the money he gets for his method or market service any more than Mr. Ford does for sale of cars.

His method has been used by me since 1927, successfully. In my opinion, it is the only one with which one can make money in the market and keep it. If you will follow his method and the rules he lays down, you will also make a success and I can assure you without it you will make a failure.

This statement is made after having read every book I could find on the subject, including the lives of all the big operators of the past and subscribed to every financial paper published and most of the market services.

C. K.

Results of Trading According To Rules

One of the rules is for trading in fast moves after the market gives a definite signal for a big move up or down. This rule gets you in the market when activity starts and keeps you in until the move has run its course, enabling you to make large profits in a comparatively short period of time.

Trading in the Dow-Jones 30 Industrial Averages beginning June 5th, 1897 to July 25th, 1939 you would have been in the market 1283 weeks or $24\frac{1}{3}$ years out of a total of 42 years.

Total number of points profit would have been.....	2,367.
Average points profit per month.....	1.84
Profits on 100 shares of stock would have been.....	\$236,700.00
(without pyramiding or ever trading in more than 100 sh.)	
Figures do not allow for errors in judgment, commission or interest, making a liberal deduction of 25% to cover same.....	59,175.00
Net profit on 100 shares, or a capital of \$3,000.....	\$177,525.00

You could have started trading in 1897 in 100 shares on a capital of \$1,000.00 but according to the methods and rules you should have started with a capital of \$3,000.00 for trading in 100 shares.

Should you have traded in the active leading stocks at all times, instead of the averages, the profits would have been much greater because the active leaders moved from one to three times as many points as the average.

Dow Jones 20 Railroad Averages May 1897 to March 1914 and Dow Jones 30 Industrial Averages February 1913 to June 1939, trading according to the rules during the above periods, show possible points:

Advances	2,085.52
Possible decline	2,012.42
Total points	4,097.94
Points made on Advance	1,336.78
Points made on Decline.....	1,236.13
Total	2,572.91
Percentage of total points made to possible points.....	63%
Percentage of all points made on the up-side or Bull Market.....	64%
Percentage of points made on the down-side or Bear Market.....	61.4%

Total number of trades made.....	177
Total number of years.....	42
Average number of trades per year..... (Slightly above 4 per year)	4.2
Net profit per year on 100 shares.....	\$6,125.74
Net profit on 100 shares from 1897 to 1939.....	\$257,291.00
Figuring an original investment of.....	\$5,000.00
Equity as of June 30th, 1939 would be.....	\$262,291.00
Value of \$100. invested in 1897 as of June 1939.....	\$5,145.82

COMPARISON OF DOW THEORY AND W. D. GANN'S METHOD

BASED ON DOW JONES 30 INDUSTRIAL AVERAGES

1897 to September 1937

	Dow's Theory:	Mr. Gann's Method:	Advantage of Mr. Gann's Method:
Total points made	718.54	2,118.03	1,399.49
Points made long side	416.37	1,127.40	711.03
Points made short side	302.17	990.63	688.46
Average number of points per year	17.5	51.66	34.16
Total profit made on 100 shares	\$71,854.00	\$211,803.00	\$139,949.00
Profit per year on 100 shares	1,752.54	5,165.92	3,413.38
\$100. invested in 1897 equals	3,602.88	5,177.37	1,574.49
Trades per year average	$\frac{1}{2}$ trade of 1 every 2 yrs.	3.4	

The Dow Theory as well as Mr. Gann's Method are subject to the human element and errors in determining when the combination occurs naturally will arise. No deduction from the above figures is made for errors or for commission and expenses. The computation and the results of the Dow Theory is based upon what we believe to be the best opinion. Mr. Gann's Method is based upon his own interpretation of his rules.

How You Can Make Profits

You can become a successful trader or investor if you acquire knowledge and learn the mathematical rules which determine the trend of Stocks and Commodity market movements.

The Bible says "Ye shall know the truth and the truth shall make you free". When you have learned the truth about stocks you will no longer buy on hope or sell on fear,

you will face facts and be free to act on judgment based on rules that you know always have worked and always will.

Why I Can Teach You To Succeed

I have paid the price in time and money to discover, test and prove, rules that are practical and get results. You will agree that 36 years experience is valuable in any line of business and that after I have spent that much time in study and research I can teach you the rules that will take the gamble out of Stock Market trading and make it a safe and profitable business. The man who devotes all the time to any business will learn more about it than the man who only studies it a short time.

If the average man or woman would only spend the first few hundred dollars they lose in the market in acquiring knowledge and learning the rules for buying and selling at the right time, they would then make profits—not losses.

Your Son's or Daughter's Future

A man can leave his son or daughter a million dollars or more and they can lose it quickly if they have not learned the rules how to invest it safely. My Course of Instructions will teach any one how to preserve his capital and make profits. They must be willing to study and work hard.

Forecasting Business

Good Positions For Students

Changed conditions due to Government interference, regulations and changes in Europe, make it necessary for every business man to forecast his own business in order to meet competition. It makes no difference whether a manufacturer of raw material or a seller of the finished product, he must be able to forecast future business conditions and gauge future demand as closely as possible in order to make a profit in business. This creates a good position for a man who can accurately forecast business conditions and changes. The young man who prepares himself and becomes an expert in forecasting business, Commodities, Stocks and Bonds, will find a demand for his services. Estates must have an expert to handle their investments and once a man has proven his ability to increase the profits of a large estate he will find he can name his own terms as to salary. Money must have brains and experts to increase its earning power. Large estates can and will pay a man who can keep capital intact and prevent losses. The Investment Counsellor will find the future holds a bright outlook for him if he knows his business and has fully prepared himself.

What the Course Consists of

The Complete Course is in Four Lessons:

- LESSON I. Form Reading or Picture Method. A great improvement on the Dow Theory. Formations or how to forecast the trend by certain formations by fixed rules which help to make your judgment accurate. Examples are given to prove the rules. With this lesson you learn from the picture or formation and after experience your eyes will recognize a formation and know what it means.
- LESSON II. Resistance Levels. Where stocks meet buying or selling and make bottom and top. Definite mathematical rules, practical and proven that make profits. They are easy to learn and apply. All buying and selling points marked plainly on the charts and rules given why to buy or sell at certain points. Anyone should be able to learn this lesson in three days' time and make substantial profits with this Lesson alone. This method keeps you with the trend and enables you to buy near low levels and sell near top.
- LESSON III. Time Elements and Time Rules. There is a definite relation between price and time. When time is up stocks make top and start down. When time is up and

the time cycle runs out stocks make bottom and start up. It makes no difference how high stocks are selling, they can go higher until time runs out and no matter how low they are they can go lower until time is up.

Time is the most important factor in determining and forecasting market movements. Very few people understand the time element and its value. With this lesson you learn when the right time comes to buy and you know according to time three important buying points:

1. When near extreme low levels. With limited risk.
2. A safer buying point at a certain time period.
3. The safest buying point after the market gives the third time signal.

These rules give the three selling levels according to time. With this method you will be able to make up a forecast one year or more in advance on the average or individual stock.

LESSON IV. Volume of Sales. New, up-to-date, since the Security Exchange regulation and higher margin requirements have changed volume of sales. The Volume of Sales is the driving power that moves the market but time determines when volume will change at top or bottom. The volume rules are proven by charts, rules and forms on volume never published or used by anyone else.

Results from the Methods

1896 to 1939—43 years with Dow Jones Averages.

No. 1 Course of Instructions

CONSISTING OF TWO LESSONS:

1. Form Reading or picture method. Some Time Rules and Formations. B. W. points.
2. Resistance levels make it easier to operate with first lesson. Gives more mathematical confirmations of why to buy and sell at certain points.

In order to help those who are worthy and trying to help themselves, I am making a very reasonable price on these courses so that young students and people of small means can get started on their Investment Education. At a small cost and with a small capital students may start trading after they have gained knowledge and make profits.

The price is \$500.00; payable \$300.00 cash in advance. Easy terms on the balance, or can be paid after you make profits.

No. 2 Complete Course of Instructions

CONSISTING OF FOUR LESSONS:

This is a more complete course than I have sold for \$5,000.00 in former years and it is worth \$5,000.00 or more to anyone who will study it and use it. To help others who need help and are trying to make a success, I am making a low price of \$1,000.00 for the Complete Course which includes a Weekly High and Low Chart on Dow-Jones 20 Railroad Averages 1896 to 1914, a Weekly High and Low Chart on Dow-Jones 30 Industrial Averages 1914 to date. A swing Chart on 30 Industrials 1896 to date. Weekly High and Low Charts on five active stocks that you select or we select, these Charts will be for two or three years back, according to the stock and market positions at the time.

Terms arranged if you are not in position to pay all cash in advance.

No. 3 Master Forecasting Method

This Method contains all of the Form Rules, Resistance Level and Volume of Sales and my secret discovery of the Master Time Factor and a new way of Forecasting by Mathematical Rules that are simple and practical.

MATHEMATICAL RULES OR REASONS: It is possible to get as many as nine confirmations or reasons why a stock should be bottom or top at a certain time and the greater number of confirmations the surer the chances of making profits. That is why each of my Lessons and Courses teach you more rules to confirm what you learned in the first Course or previous Lessons.

Master Charts that save time and work go with this Course, Master High and Low Charts ten to forty-five years back. This Course gives mathematical proof of how I forecast the 1929 Bull Market and the Panic which followed to 1932.

Price of complete Master Forecasting Course \$2500.00 cash in advance. Terms can be arranged with part cash and balance on monthly payments.

Correspondence Course

Anyone can learn a Course by correspondence because everything is made plain. The buying and selling points are marked on the Charts and Rules why we buy or sell at a certain point. However, you can make greater progress if you can arrange for a few days personal instruction.

WHY YOU CAN MAKE MORE PROFITS TRADING IN COMMODITIES THAN STOCKS

In trading according to my Mechanical Method & Trend Indicator or according to my 1936 New Master Forecasting Methods on Cotton, Grain, Rubber and other commodities, there are many advantages over trading in stocks:

1. Commodities follow a seasonal trend and are much easier to forecast. They move with supply and demand.
2. It requires much less work to keep up charts and calculations on Commodities. There are 1200 stocks listed on the New York Stock Exchange and you must keep a separate chart on as many of them as you wish to forecast the trend of. With Cotton, you need one to three charts, and the same with Grain.
3. When you have a forecast made up for Cotton or Grain, if you are right, you are sure to make money because all options follow the same trend. There are no cross-currents as in stocks, with some stocks declining to new low levels and other making new highs.
4. In dealing in Futures, there are no heavy interest charges as there are when long of stocks and no dividends to pay as when short of stocks.
5. Dividends can be suddenly passed or declared which will affect stock prices. This cannot happen to commodities.
6. Pools cannot manipulate a commodity as they can a stock.
7. Facts about commodities are general known while many stocks are mystery stocks all the time and some stocks are subject to false rumors.
8. The stages of the business cycle tell more about the prices of commodities than they do about stocks.
9. Commodities are governed only by demand and supply. This is not always true of stocks.
10. Speculation in commodities is more legitimate than speculation in stocks because you are dealing in a necessity.
11. Commodities are consumed. Stocks are not. This has a bearing upon the ease in forecasting commodity prices.

13. Stock prices tend to move by groups of stocks, while commodities move independently.
14. Notable speculators, like Livermore and Dr. E. H. Crawford, have discovered after long experience that they make money with greater certainty in commodities.
15. Stocks go into receivers' hands and go out of business. Commodities go on forever. Crops are planted and harvested each year.
16. There is always a demand by consumers for commodities, which is not the case with stocks.
17. Since the Securities Exchange Law was passed, marginal requirements are much higher on stocks than on Commodities. Therefore, you can make more money on the same capital trading in Cotton, Wheat, Corn, Rubber or other markets.
18. When you learn the rules for forecasting and trading in Commodities, they never change because we will always have wheat, corn, and cotton crops every year and these crops will be consumed, while stocks change and you have to study new stocks to keep up with changed conditions.

COMMODITY METHODS

The prices of my Commodity Methods are less than Stock Methods because it requires less time to teach them and a small number of charts are needed:

MECHANICAL METHOD AND TREND INDICATION COVERING COTTON OR GRAIN

Price \$600.00 Terms: \$300.00 cash in advance; balance in monthly payments. Any man can learn this Method easily thru correspondence in a few days. With this Method we furnish weekly charts running back 2 to 3 years, daily charts and a trend chart; instructions how to work the Method; rules for telling where to buy and sell, where to place stop loss orders and when to pyramid. Cotton and Grain Methods combined, price \$1,200.00 Terms: \$500.00 cash in advance, balance in monthly payments.

FORECASTING METHOD ON COTTON OR GRAIN

Contains Master Time Factor:

Price \$1,500.00 Terms: \$750.00 cash; balance in monthly payments. With this Method you get charts on cotton back to 1869 (monthly) and with the Grain Method chart running back to 1642 (monthly), also weekly and daily charts, Master tables, Resistance Levels and Resistance Cards. You are taught the Master Time Factor and how to make up a forecast one or more years in advance.

Cotton and Grain Methods combined, price \$2,500.00 Terms: \$1,500.00 cash in advance, balance in monthly payments.

KNOWLEDGE IS POWER

Webster said: "The man who can teach me something is the man I want to know." You may think my prices are high, but stop to consider that you have the use of these Methods during your entire lifetime and that the knowledge I teach will be worth the money for one week's trading at critical times. You can easily lose in the market the price you would pay for my Course and the market leaves you with no valuable knowledge after your losses. Learn to see and know for yourself what Commodities will do; then you will make a success.

Special Rates in Classes For College Students

I will make a special rate to students where classes of five or more take the course at the same time.

Time Required to Learn the Course

Time required depends on the student. His education, experience and practical knowledge of stocks and commodities. If you have read my books or kept up charts you will learn in a much shorter time than one who has had no experience or special training. However, anyone who can add, subtract, multiply and divide can learn how to apply my rules. School teachers learn easy. The amount of time you put in studying each day or week will determine how soon you can learn the rules and start trading.

Some learn in one week, some in three weeks and others in three months, but one thing is sure, the longer you study the more you learn. Each year you will know more and practice will make you perfect.

Trade on Paper

I recommend that all students start trading on paper until they are sure how to apply the rules. You learn by doing and mistakes made on paper will prevent actual losses later. Never be in a hurry. Be sure you are right, then act and success is sure.

Health Is Wealth

Good health is essential for success in any business and for active trading in Stocks and Commodities. Keeping your health perfect is just as important as protecting your capital.


Why I Live in Miami

I have learned the value of good health and that is why I have a winter home in Miami, Florida. I give personal instruction to individuals or classes in Miami from October 1st to May 1st every year.

W. D. GANN
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